

Message Text

LIMITED OFFICIAL USE

PAGE 01 HELSIN 01357 011128Z

ACTION EB-07

INFO OCT-01 EUR-12 NEA-10 ISO-00 ERDA-05 AID-05 CEA-01

CIAE-00 COME-00 EPG-02 DODE-00 FEAE-00 FPC-01

H-01 INR-07 INT-05 L-03 NSAE-00 NSC-05 OMB-01

PM-04 USIA-06 OES-07 SP-02 SS-15 STR-04 TRSE-00

ACDA-07 /111 W

-----022269 011307Z /44

R 011035Z JUL 77

FM AMEMBASSY HELSINKI

TO SECSTATE WASHDC 1577

INFO AMEMBASSY JIDDA

LIMITED OFFICIAL USE HELSINKI 1357

E.O. 11652: N/A

TAGS: ENRG, FI, SA

SUBJECT: FINNISH-SAUDI ARABIAN OIL NEGOTIATIONS

1. BEGIN UNCLASSIFIED. ACCORDING TO PRESS REPORTS, AN AGREEMENT WAS SIGNED ON JUNE 29 BY FINLAND AND SAUDI ARABIA ACCORDING TO WHICH FINLAND WILL PURCHASE CRUDE OIL DIRECTLY FROM SAUDI ARABIA RATHER THAN PURCHASING SAUDI CRUDE THROUGH INTERNATIONAL OIL COMPANIES. NEGOTIATIONS WILL BE CONDUCTED BY NESTE OY, THE FINNISH STATE-OWNED OIL REFINING MONOPOLY AND SAUDI ARABIAN ORGANIZATIONS. LAST YEAR FINLAND IMPORTED FROM SAUDI ARABIA 3.0 MILLION TONS OF SAUDI CRUDE WHICH ACCOUNTED FOR 27 PERCENT OF TOTAL FINNISH CRUDE IMPORTS. THE SOVIET UNION SUPPLIED 7.0 MILLION TONS OR 63 PERCENT. ACCORDING TO PRESS REPORTS SAUDI DEPUTY FOREIGN MINISTER ALI REZA STATED THAT HIS COUNTRY IS PREPARED TO INCREASE CRUDE DELIVERIES.

2. IN ADDITION IT WAS ANNOUNCED THAT ADNAN KHASHOGGI WILL VISIT FINLAND ON JULY 1 TO COMPLETE NEGOTIATIONS ON AGREEMENTS WITH VALMET, A LARGE STATE-OWNED FINNISH
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 HELSIN 01357 011128Z

SHIPBUILDER, ON DELIVERY OF RO-RO VESSELS AND COOPERATION ON SHIPBUILDING AND HARBORS, AND WITH FINNLINE'S AN OPENING OF A JOINT SHIPPING LINE WITH A SAUDI COMPANY.
END UNCLASSIFIED.

3. BEGIN LIMITED OFFICIAL USE. INFORMED LOCAL COMMENT ON THESE DEVELOPMENTS IS HARD TO COME BY OWING TO

VACATIONS AND NESTE'S MOMOPOLY OVER IMPORTING AND
REFINING. ONE OFFICIAL OF A WESTERN COMPANY ENGAGED
IN DISTRIBUTION HERE SAID THAT IT WAS HIS IMPRESSION
THAT CHEVRON AND TEXACO WOULD BE THE FIRMS WHO
WOULD LOSE MOST OF THE BUSINESS OF SUPPLYING SAUDI
CRUDE TO FINLAND. HE THOUGHT THAT THE PRIMARY
FINNISH MOTIVATION IN THIS ARRANGEMENT WAS
TO OBTAIN SECURITY OF SUPPLY FROM THE COUNTRY WITH
THE LARGEST RESERVES THAT HAS ADOPTED A MORE MODERATE
PRICING APPROACH THAN OTHER OPEC COUNTRIES. THE
SAUDI MOTIVATION, HE ASSUMES, IS TO CONTINUE THE LONG-
TERM PROCESS OF REDUCING FOREIGN INVOLVEMENT IN
SAUDI PRODUCTION AND MARKETING. END LIMITED OFFICIAL
USE.

HOUSTON

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM, NEGOTIATIONS
Control Number: n/a
Copy: SINGLE
Sent Date: 01-Jul-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977HELSIN01357
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770235-0568
Format: TEL
From: HELSINKI
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770799/aaaadidm.tel
Line Count: 78
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 0dee7f72-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 02-Feb-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1987890
Secure: OPEN
Status: NATIVE
Subject: FINNISH-SAUDI ARABIAN OIL NEGOTIATIONS
TAGS: ENRG, FI, SA
To: STATE
Type: TE
vdkgvwkey: odhc://SAS/SAS.dbo.SAS_Docs/0dee7f72-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009